

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 9, 2025

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, April 9, 2025 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jon Morgan, President
Ben Solis, Vice President
Darrell Barroso, Secretary
Lary Cangelose, Assistant Secretary
Mike Kelley, Treasurer

and the following were absent:

None.

Also present were Mr. Jerry Homan, general manager for the District; Mr. Brian Breeding, assistant general manager for the District; Ms. Pam Magee, office manager for the District; Mr. Adam Anderson and Mr. Joseph Contreras, engineers for the District; Ms. Michelle Townes, auditor for the District; and Ms. Jennifer B. Seipel, attorney for the District.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. There were no customer inquiries or input for consideration.

2. The Board considered the minutes for the meeting held on March 26, 2025. One change was suggested, and upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as amended.

3. Ms. Townes of McCall Gibson Swedlund Barfoot, PLLC presented an audit of the District's books and records for the fiscal year ended December 31, 2024. She stated that the District experienced another good year, and her firm was issuing an unmodified opinion, meaning that the District's financial and other records for the year present fairly and accurately. Director Barroso asked a question regarding the total liabilities included on the report and its total not being accurately reflected on following pages. Ms. Townes stated that she would confirm the accuracy of those figures. Director Kelley noted the significant increases in interest revenue earned by the District during the last two years, thanking Myrtle Cruz for their role in investing the District's money in such interest-bearing accounts. As such, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the audit and authorized its filing as required by law subject to final review and approval by its consultants and employees. Ms. Townes thanked the Board for its time and left the meeting.

4. Ms. Seipel noted that, after approving the audit being presented at the meeting, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. The attorney confirmed that she will work with Ms. Magee and Ms. Catherman to update the compliance document and post it on the internet.

5. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. The District's investment officers confirmed that the policy currently in place is working and recommended that it be affirmed. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives as presented.

6. Mr. Anderson presented the engineer's report, a copy of which is attached hereto. With regard to the N. Eldridge Parkway sanitary sewer and water line relocation, the engineer stated that his office continues to provide information needed to complete a supplemental agreement with the Texas Department of Transportation ("TxDOT") in order to submit the final reimbursement package. Mr. Anderson stated that the impediments to submission of the final package seem to have been alleviated, and the supplemental agreement is being finalized for review by the attorney and District personnel.

The pre-final inspection for phase 11 of the District's sanitary sewer rehabilitation project is set to be scheduled now that the contractor has completed all punch list items.

As for the Hastings Green lift station rehabilitation project, the contractor has completed all punch list items, and a final inspection with the Texas Commission on Environmental Quality will be scheduled soon.

With regard to the recoating of water plant no. 2, Mr. Anderson confirmed that the construction is ongoing, and the contractor is currently on schedule.

The Board also executed the contracts with Specialized Maintenance Services for the phase 12 televising work for the District's ongoing sanitary sewer rehabilitation project.

Mr. Anderson stated that the design package for the Tower Oaks Meadows utilities relocations is being finalized for bidding.

After discussion, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the engineer's report as presented.

7. The Board considered payment of the general fund bills. After review, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

8. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee stated that disconnection week is being delayed a week due to the Easter holiday.

Mr. Breeding stated that the District's new employee started on Monday.

Mr. Breeding also noted that he continues to work on the draft of the District's annual consumer confidence report.

Mr. Breeding and Ms. Magee stated that the District's water smart program for use by District customers is now online, and the District has approximately 120 users as of now.

Mr. Breeding and Mr. Homan stated that they are working with the attorney to finalize a draft of a new wastewater treatment agreement with Harris County MUD No. 69 for review by the Board.

Mr. Homan provided an update on service to a tract of land at Hempstead Road and Huffmeister Road by Harris County MUD No. 248 ("MUD No. 248"). Service to this tract would require the District to grant a minor easement to MUD No. 248. After discussion, the Board agreed that, when the time comes, the District should grant the easement for only the cost associated with the granting of such easement.

Mr. Homan stated that the District's annual shrimp boil will be held on May 1, 2025.

Mr. Homan reported that the District's annual family day is tentatively scheduled for May 3, 2025.

Mr. Homan provided updates on pending legislation and his testimony given in connection with certain potential new laws.

Lastly, Mr. Homan reported on a meeting that he had earlier this week with representatives for Harris Central Appraisal District ("HCAD") regarding the arbitrary devaluation of multi-family complexes that have become tax exempt through public finance corporation statutes. Mr. Homan stated that the meeting went very well, reading an email from a HCAD representative confirming that the organization intends to accurately value multi-family complexes regardless of tax status. The HCAD representative also stated that the organization has plans to put affected districts on notice when an application for tax exempt status is received.

Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the management report as presented.

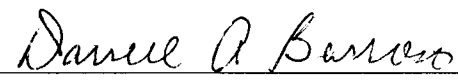
9. The Board then discussed the most recent meeting of the Authority, which several directors and Mr. Homan attended. The Board discussed the events of the meeting.

10. There was no update as to the Water Users Coalition.

11. There was no executive session.

12. Lastly, the Board considered items for the next agenda.

There being no further business to come before the Board, the meeting was adjourned.


Secretary

Short Term Action Items

1. Normal Business

Long Term Action Items

1. 222 Rate Analysis for Wastewater Usage
2. Trunk Line Repair - Complete; Discussion of Costs with MUD 222 and MUD 248